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EJS

UNITED STATES PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Kenra, Inc.

v.

Belt Distributors, Inc.

Cancellation No. 25,095

E. Victor Indiano and Amy L. Rankin of Bose McKinney &
Evans LLP for Kenra, Inc.

Frank Taddeo Jr. for Belt Distributors, Inc.

Before Seeherman, Bucher and Holtzman, Administrative
Trademark Judges.

Opinion by Seeherman, Administrative Trademark Judge:

Kenra, Inc. (hereafter "petitioner") has petitioned
to cancel the registration of Belt Distributors Inc.
(hereafter "respondent") for KENYA for non-medicated hair
care preparations.¹ As grounds for cancellation,
petitioner has alleged that since 1929, and prior to

¹ Registration No. 1,678,228, issued March 10, 1992; Section 8
affidavit accepted.

respondent's claimed date of first use, respondent has used the mark KENRA for various hair care preparations; that it owns U.S. trademarks registrations for KENRA, KENRA and design, KENRA CURL and KENRA NATURALS and design; that petitioner's application for KENRA and design has been refused registration in view of respondent's registration; and that respondent's use of its mark is likely to cause confusion with petitioner's mark.²

Respondent denied the salient allegations of the petition for cancellation in its answer, and asserted what it characterized as affirmative defenses. After petitioner's testimony period had closed, respondent sought leave to file an amended answer, which was granted by the Board. In its amended answer respondent denied the salient allegations of the petition for cancellation. Applicant also asserted the affirmative defenses of laches, acquiescence and equitable estoppel, alleging

² Because the petition for cancellation was filed on March 8, 1996, when respondent's registration was less than five years old, likelihood of confusion is a ground which may be asserted against it. See Section 14(1) of the Trademark Act, 15 U.S.C. § 1064. It is noted that in respondent's brief it characterizes the grounds for cancellation as "PTO error in registering KENYA and likelihood of confusion with petitioner's marks." Trial brief, p. 2. The Board had previously explained to respondent that "an allegation of Office error cannot form the basis of a claim or an affirmative defense." Decision mailed August 27,

that respondent has an exclusive distribution agreement with an allied company, Olla Beauty Supply, Inc.; that Olla distributed petitioner's ELASTA line of products at the same time it distributed respondent's KENYA products, and both parties' products were listed in the same Olla catalog; that petitioner as early as 1993 had knowledge or must be charged with the knowledge of respondent's marketing and distribution of KENYA products through Olla; that petitioner never opposed respondent's application to register KENYA, nor did it made any attempt to challenge respondent's use or registration of KENYA until one year after the expiration of Olla's distribution of petitioner's products; and that petitioner's delay in challenging respondent's registration was unreasonable and has materially prejudiced respondent. Respondent also seeks to amend its registration, pursuant to Section 18, to "non-medicated hair care preparations in Class 3, for retail, over-the-counter sale to the ethnic hair care market only." In connection with this restriction, respondent alleges that petitioner's KENRA products are marketed to general consumers exclusively through professional hair care salons. Respondent also asserts a counterclaim to

1999, p. 3. The Board has treated the petition for cancellation

petitioner's "Kenra registration" (subsequently confirmed as referring only to petitioner's Registration No.

428,669 for KENRA (stylized), pursuant to Section 18, to "the distribution channel of professional salons only."³

Petitioner denied these allegations, and has asserted, as affirmative defenses, that its products are being sold through retail outlets, and that the professional salon hair care market and retail hair care market overlap, such that the restriction proposed by respondent is "implausible as well as prejudicial" to petitioner.

The record includes the pleadings; the file of respondent's registration which is sought to be cancelled, and the file of petitioner's registration which is sought to be restricted pursuant to Section 18. In addition, the parties have stipulated that Items Nos. 1 -27, as set forth at pages 4-6 of petitioner's trial brief, are in evidence.⁴ The evidence includes petitioner's four pleaded registrations, as follows:

as brought solely on the ground of likelihood of confusion.

³ While respondent also asserts as an "affirmative defense" that there is no likelihood of confusion, these allegations do not constitute an affirmative defense, but are merely expanded denials of petitioner's allegation of likelihood of confusion.

⁴ On January 9, 2001, along with the filing of petitioner's reply brief, petitioner filed an additional notice of reliance on "all Elasta invoices relating to sales of Elasta products to Olla Beauty Supply Company" which had been produced by

petitioner. The parties had previously stipulated that each could make of record any discovery, regardless of which party had taken the discovery. Although the notice of reliance is manifestly untimely, petitioner explained in its reply brief that it had understood that these invoices had been made of record by respondent as Exhibit F to the February 19, 1998 testimony deposition of respondent's president, Steve DiVito. The testimony deposition was unclear as to whether it constituted the entire group of Elasta invoices to Olla, with Mr. DiVito identifying the exhibit as "invoices that were billed to my company for the sale of Elasta products from Kenra to Olla Beauty Supply.... This occurred during the period of 1994 and 1995..." p. 98. Further, respondent's attorney referred to the exhibit as "approximately 20 pages of material which ... I will show to my adversary and identify it later." p. 97. Respondent did not file the exhibits with the Board until December 7, 2000, along with its main trial brief. It appears that petitioner did not have the opportunity to review the exhibits that respondent made of record until that date. Accordingly, and because respondent has treated the submission as of record in its reply brief on the counterclaim, we have considered the January 9, 2001 submission. We would also point out that, even if these documents were not of record, it would not change our decision herein.

It is also noted that respondent filed a notice of reliance after its testimony period had closed, but this notice merely stipulates to the record set forth in petitioner's brief, and includes exhibits to a testimony deposition that was taken during the testimony period. Accordingly, there is no timeliness issue with respect to this submission.

In footnote 2 of its main brief (p. 3), petitioner states that "certain documents produced and exchanged between the parties, such as Kenra's sensitive financial and marketing strategy documents, the majority of which are referenced and relied upon herein, are marked as "Confidential" and are subject to the terms of the above-referenced Stipulation." It is noted that no evidence was segregated and separately submitted to the Board under seal, in the manner that would indicate that it was to be held as confidential material. In particular, although there were references in the depositions that certain testimony was to be considered confidential, those pages of testimony were never separated from the entire transcripts of those depositions. Moreover, petitioner has detailed both its sales and the amounts it has spent on promotion in its brief, and therefore the Board has referred to these figures in this opinion.

Finally, on the subject of the record, we note that with its main brief petitioner has submitted, "for the Board's convenience" a copy of its notice of opposition to a third-party application for the mark KENAR. Although there was testimony as

Mark	Goods
	Cosmetics—namely, hair dressing, hair remover, permanent wave lotion, shampoo ⁵
	Non-medicated hair care preparations ⁶
KENRA CURL (CURL disclaimed)	Hair permanent kit consisting of a waving lotion, a neutralizer, and a plastic cap ⁷
 (NATURALS disclaimed)	Hair care products, namely, shampoo, conditioner, spray gel, and styling and finishing spray ⁸

to this opposition which is of record, the notice of opposition itself was never properly made of record and therefore the document itself will not be considered.

⁵ Registration No. 428,669, issued April 1, 1947 under the Act of 1905, not republished; renewed twice.

⁶ Registration No. 1,685,929; issued May 12, 1992; Section 8 affidavit accepted; Section 15 affidavit received.

⁷ Registration No. 1,378,741, issued January 21, 1986; Section 8 affidavit accepted; Section 15 affidavit received.

⁸ Registration No. 1,691,085, issued June 9, 1992; Section 8 affidavit accepted; Section 15 affidavit received.

The case has been fully briefed, but an oral hearing was not held.⁹

We will first address the issue of the proposed restriction of the identification of respondent's registration. Respondent has moved to amend its identification to limit its channels of trade and customers to retail, over-the-counter sale to the ethnic hair care market only. When respondent proposed this amendment during the course of this proceeding petitioner refused to consent to it, and therefore a decision on the amendment was deferred until final hearing.

There are two points which we must consider in determining whether the amendment is acceptable. The first is whether the amendment is within the scope of the goods as they were registered, and the second is whether the evidence of record shows that respondent's non-medicated hair care preparations are indeed for retail, over-the-counter sale to the ethnic hair care market only.

⁹ It is noted that on respondent's answer, amended answer and briefs it included, as part of the caption and under "Cancellation Action #. 25095" the phrase "(Oral Argument Requested." Trademark Rule 2.129(a) provides that "if a party desires to have an oral argument at final hearing, the party shall request such argument by a separate notice...." Because respondent did not comply with the rule regarding a request for oral hearing, and because petitioner did not request an oral hearing, no such hearing was held.

The amendment clearly meets the first criterion, as it limits respondent's previously unrestricted goods to a particular channel of trade and a particular class of customer. With respect to the latter point, the record shows that respondent sells its goods only in retail stores such as Wal-Mart, and does not sell its goods through professional hair styling salons. The evidence also shows that there is a category of hair care products known as "ethnic." These products are designed for African-Americans, and used by African-Americans and those, such as people of mixed race, whose hair has the characteristics associated with African-American hair. Respondent targets its sales of KENYA hair products to such customers. In its distributor's catalog, these products are listed in a section captioned "Ethnic." Respondent has also shown that products for African-Americans are generally placed together in stores.

In view of the foregoing, we grant respondent's motion to amend its identification of goods pursuant to Section 18 of the Act to "non-medicated hair care preparations for retail, over-the-counter sale to the ethnic hair care market only."

With respect to respondent's counterclaim to restrict petitioner's registration No. 428,669 for KENRA

(stylized) to "the distribution channel of professional salons only," we note that petitioner argues in its brief that restricting a registration as to channels of trade is not authorized by Section 18 of the Trademark Act. However, the case relied on by petitioner in support of this position, **Selfway, Inc. v. Travelers Petroleum, Inc.**, 579 F.2d 75, 198 USPQ 271 (CCPA 1978), was decided prior to the amendment of Section 18 by the Trademark Law Revision Act of 1988. Petitioner also misreads another decision, **Snuffer v. Snuffy's Inc.**, 17 USPQ2d 1815 (TTAB 1990), to argue that its registration cannot be restricted because it is not a concurrent use registration. The proposed restriction in that case, however, was geographic, not a restriction as to the channels of trade. Suffice it to say that the legislative history quoted in **Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG**, 34 USPQ2d 1266 (TTAB 1994), as well as the Eurostar opinion itself, make it quite clear that Section 18 permits the restriction of a party's registration in a cancellation proceeding or, as in this case, a counterclaim for cancellation, to limit the channels of trade.

A Section 18 restriction, however, will not be permitted if such restriction will not avoid the

likelihood of confusion. See **Eurostar Inc. v. "Euro-Star" Reitmoden GmbH & Co. KG**, supra. Therefore, in analyzing the issue of likelihood of confusion, we will treat the goods in petitioner's registration for KENRA (stylized) as it is proposed to be restricted by respondent, i.e., to "cosmetics, namely, hair dressing, hair remover, permanent wave lotion, shampoo in **the distribution channel of professional salons only.**" (emphasis added).¹⁰

Turning to the evidence regarding priority and likelihood of confusion, we note that, although the record is inordinately large and repetitive,¹¹ there is very little evidence with respect to petitioner's use of the marks shown in its four pleaded registrations. In fact, petitioner's witnesses in their testimony generally

¹⁰ The fact that we have analyzed the issue of likelihood of confusion in this manner should not be taken as an indication that we find the record supports that such a limitation as to trade channels is warranted. In fact, the evidence shows that there is a trend to merge trade channels in the hair care industry, and that some salons, such as the Trade Secret outlets where petitioner's goods are sold, are primarily retail operations.

¹¹ Petitioner, in particular, relied on the entire transcripts of the discovery depositions taken of its own witnesses, even though much of this information was irrelevant to our determination, or was duplicative. The Board strongly discourages this "kitchen sink" approach. It is far more useful to the Board, and conserves the Board's resources, if parties use discretion in designating material to be of record and, for example, rely only on those portions of discovery which they believe necessary to prove their case.

do not make any distinction between the four registered KENRA marks, but just refer to "the KENRA mark." It appears that they treat petitioner's mark as just KENRA, and we have therefore done the same in our recital of facts. We would also point out that the very few exhibits which show use of a KENRA mark on petitioner's products show the mark in all capital letters, sometimes with the head design shown in Registration No. 1,685,929.

Petitioner began its business in approximately 1929, selling a depilatory called NO-TWEEZE on which the word KENRA also appeared. It branched out into hair care products in 1946, using KENRA on shampoo, conditioner and permanent wave products. In 1990 petitioner started using the brand KENRA NATURALS. The record does not indicate when petitioner began using the marks KENRA CURL and KENRA and design.¹²

The majority of petitioner's sales until the late 1960's were private label, and petitioner continued its private label sales until 1988, although beginning in 1974 it began to emphasize the KENRA mark and increased its sales under the mark. Petitioner's sales through its Kenra division (and therefore under its various KENRA

¹² In this connection, it should be noted that the date of first use appearing on the certificate of registration is not evidence of use.

marks) rose from \$5 million in 1988 to \$10.5 million in 1996, and its annual promotional expenditures ranged from a low of \$314,000 in 1996 to a high of \$674,000 in 1989. The promotional activities have traditionally been primarily directed to hairdressers, although posters/point-of-purchase displays and co-op advertising by the salons themselves would be seen by the general customer. More of the promotional activities were directed to general consumers beginning in 1997 (after this cancellation proceeding was brought), with brochures given to hairdressers for distribution to their customers. Petitioner has very recently (in 2000) started national consumer advertising in magazines such as "Harper's Bazaar" and "Red Book."

Petitioner sells its KENRA products nationally through various distributors who, in turn, sell the products to hair salons. The KENRA hair care products are sold only to professional salons, for use by hairdressers and for resale to customers. In the last few years, petitioner has begun selling its KENRA products through outlets such as TRADE SECRETS, which are stores located in indoor shopping malls. Although TRADE SECRETS provide hair salon services, the vast majority--80-90%--of their business is retail sales.

In 1982 petitioner also started a hair care line directed primarily to ethnic or African-American customers for which it uses the mark ELASTA.

Respondent is a company solely owned by Steve DiVito. It began selling ethnic hair care products under the mark KENYA in 1991. Sales have remained fairly steady in the years since the products' introduction, generally in the mid-\$200,000 range, although they dropped below this figure in 1998 and 1999. The products were sold by Olla Beauty Supply, a distributorship which was owned by Mr. DiVito until mid-1999; since then, although Olla continues to distribute the KENYA products, Mr. DiVito has been contacting accounts himself. The KENYA products are less expensive than competing ethnic hair care lines. They are sold in retail stores such as Duane Reade. The advertising budget for the KENYA products is approximately \$10,000 per year, and includes window signs and ad slicks which can be used by retail stores, as well as advertisements in the Olla Beauty Supply catalog, which goes to the trade.

Respondent's sales are primarily on the East Coast, especially in New York and New Jersey, and it may have had sales in the southeastern part of the United States at one time.

Turning first to the issue of priority, because this is a cancellation proceeding we must look at the dates of use proved by the parties. See **Brewski Beer Co. v.**

Brewski Brothers Inc., 47 USPQ2d 1281 (TTAB 1998).

Respondent began using the mark KENYA in 1991. There is some question as to the exact date on which its use began; an exhibit showing its sales figures for 1991-1997 indicates the sales in 1991 were from March 25. However, a license agreement from respondent to Olla Beauty Distributing is dated February 1, 1991. Petitioner has clear priority over either of these dates with respect to three of its registrations, which were all filed prior to 1991, and for which the filing date represents a use date. Moreover, the record shows that petitioner has been using the mark KENRA on hair care products since 1946, and began using the KENRA NATURALS mark in 1990. The only question concerns the mark KENRA and design; petitioner has not provided any evidence as to the first actual use of this mark, so the filing date of the application which matured into this registration is the earliest date on which petitioner can rely. That filing date is March 21, 1991, which is subsequent to the date of respondent's license agreement, but four days prior to the date listed on the sales report. Petitioner has not

even discussed the question of priority in its brief, let alone given us any basis as to why we should treat March 25, 1991 and not February 1, 1991 as respondent's date of first use. Accordingly, in an excess of caution, we will assume that petitioner has not demonstrated priority of its KENRA and design mark, and will not consider this mark in our likelihood of confusion analysis.¹³

In determining the issue of likelihood of confusion, we must consider all evidence bearing on the factors set forth in **In re E.I. duPont de Nemours & Co.**, 476 F.2d 1357, 177 USPQ 563 (CCPA 1973).

1. The similarity or dissimilarity of the marks in their entirety as to appearance, sound, connotation and commercial impression.

¹³ There is some question as to whether petitioner is even maintaining the claim of likelihood of confusion with any mark other than KENRA, or the stylized mark shown in Registration No. 428,669 (which petitioner has referred to as KENRA in its notice of reliance). In the statement of issues in petitioner's main brief, it characterizes the issue as whether there is a likelihood of confusion as to the source of hair care products "sold under the parties' respective marks of 'KENRA' and 'KENYA' ... in light of the fact that both marks are similar in appearance and sound..." p. 6. In the discussion of the marks, petitioner refers only to KENRA and KENYA; no mention is made to KENRA CURL or KENRA NATURALS (or KENRA and design). However, in other sections of its brief, relating to the strength of its mark, petitioner states that "Kenra owns four United States registrations of its 'KENRA' mark..." p. 37. See also p. 11. Because petitioner may have intended to refer to all four of its marks under the general term KENRA (a practice which, because of the manner in which petitioner has executed it, the Board frowns upon), we will discuss the likelihood of confusion claim with respect to the three marks for which petitioner has shown priority.

Turning first to the marks, petitioner's stylized KENRA mark (Registration No. 428,669) and respondent's KENYA mark are clearly very similar in appearance. Although petitioner's mark is depicted in a slightly stylized form, in that the word is shown on a slant with a larger first letter, respondent's mark, which is a typed drawing, is not limited to a particular depiction. Thus, respondent's registration would encompass depicting the KENYA mark in the same manner as petitioner's. The marks are virtually identical, the only difference being the fourth letter of each mark. This single difference, however, is not likely to be noticed, coming where it does in the mark, and given the fact that both marks begin with and end with the same letters.

We note that respondent has discussed at some length the manner in which its mark appears, e.g., with an elongated "A" and a logo of lions, spears and shield. However, in determining the issue of likelihood of confusion, we must look to the mark as it appears in the registration, not at the manner in which it is actually depicted.

The marks are also virtually identical in pronunciation. Both begin with the sound "KEN" and end with an "A" sound. Although the second syllables of each

mark have different beginnings, the aural difference between KENRA and KENYA is not readily apparent, especially if the words are not carefully articulated, as may occur in everyday speech.

The marks are different in connotation, KENRA having no readily discernible meaning (it is actually derived from the names of petitioner's founders, Ken and Ray), while KENYA is clearly the name of an African country. Moreover, the meaning of KENYA would have greater significance for ethnic hair care products.

However, we find that the similarities in appearance and pronunciation of the marks outweigh the difference in connotation. Likelihood of confusion may be found when there is similarity in just one of the elements of sight, sound and meaning. **Krim-Ko Corp. v. The Coca-Cola Co.**, 390 F.2d 728, 156 USPQ 523 (CCPA 1968). The similarity in pronunciation is particularly compelling in light of the evidence that petitioner's products are often purchased because of word-of-mouth. For example, someone who has used a KENRA product in a salon may recommend the product to a friend who, seeing a KENYA product in a retail store, may assume that she heard the brand name as KENYA. Or a salon customer may be told about a KENRA product in the salon, but not buy it then, and later see

a KENYA product in a store and assume KENYA was the name she heard.

Finally, it is well-established that when, as here, the marks are used on identical goods, as discussed infra, the degree of similarity necessary to support a conclusion of likely confusion declines. **Century 21 Real Estate Corp. v. Century Life of America**, 970 F.2d 874, 23 USPQ2d 1698, 1700 (Fed. Cir. 1992).

The same reasoning applies to petitioner's marks KENRA CURL and KENRA NATURALS and design. Although these marks have additional elements, they do not distinguish the marks from KENYA. The additional elements are descriptive (both CURL and NATURALS have been disclaimed) or suggestive (the abstract picture of a woman's head, with the hair emphasized).

2. The similarity or dissimilarity and nature of the goods or services as described in an application or registration or in connection with which a prior mark is in use.

The identification of respondent's goods has been amended, pursuant to its Section 18 request, to "non-medicated hair care preparations for retail, over-the-counter sale to the ethnic hair care market only." The goods in petitioner's registration, assuming for the

purposes of this discussion, that respondent's proposed Section 18 partial counterclaim were to be granted, are hair dressing, hair remover, permanent wave lotion and shampoo for sale through professional salons. Leaving aside the channels of trade for the moment (discussed infra as factor 3), the parties' goods are, in part, legally identical. Respondent's non-medicated hair care preparations encompass the hair dressing, permanent wave lotion and shampoo identified in petitioner's registration. Respondent's products are for ethnic hair care, but petitioner's products are not limited to any particular group, and must be deemed to include ethnic hair care products.

As for petitioner's two other registrations, they are not limited to any particular group either. The hair permanent kit identified in the KENRA CURL registration and the shampoo, conditioner, spray gel and styling and finishing spray identified in the KENRA NATURALS registration are encompassed within the hair care preparations identified in respondent's amended registration.

3. The similarity or dissimilarity of established, likely-to-continue trade channels.

First, respondent is not attempting to partially cancel the KENRA CURL and KENRA NATURALS registrations,

so the trade channels for those goods must be deemed to encompass all trade channels for the goods identified therein, including retail over-the counter sales, the same channel of trade as is identified in respondent's registration. With respect to the registration for KENRA, respondent is seeking to restrict this registration to the channel of trade of professional hair salons. This trade channel would be different from retail over-the-counter sales. However, the difference in trade channels will not serve to avoid confusion. The same members of the general public which purchase ethnic hair care products in retail stores may also patronize hair care salons and purchase products there. Thus, they may come in contact with petitioner's and respondent's goods, even if the goods are not sold side-by-side. (In fact, the separate trade channels may even increase the likelihood of confusion, since consumers will not have the opportunity to make side-by-side comparisons of the marks, and instead they must rely on hazy past recollections. See **Dassler KG v. Roller Derby Skate Corporation**, 206 USPQ 255 (TTAB 1980). As a result, they may misremember whether the mark they want is KENRA or KENYA.) Further, the evidence shows that many hair care brands which were initially sold only in professional

salons later expanded into retail stores, e.g., VIDAL SASSOON, JHIRMAK. Accordingly, consumers would not be surprised to find a salon brand in a retail outlet.

4. The conditions under which and buyers to whom sales are made, i.e. "impulse" vs. careful, sophisticated purchasers.

Respondent argues that users of ethnic hair care products are educated, knowledgeable buyers because of their special hair care needs. Although we acknowledge that such consumers may take special care when purchasing relaxers or permanents, where negative results can last for some time, the parties' goods include all types of hair care products, including shampoos and conditioners. Such products involve relatively little cost, and may easily be replaced if unsatisfactory. Moreover, it must be remembered that the purchasers of these products are the general public, not people with special training who can be classified as particularly educated. Accordingly, we cannot find that this factor favors respondent.

5. The fame of the prior mark.

Although petitioner's KENRA marks may be considered strong in the sense that KENRA is an arbitrary term, and as such entitled to a wider scope of protection than a

suggestive mark,¹⁴ we do not find the KENRA marks to be famous. The only mark for which we have evidence of long use and sales is KENRA per se, but even for this mark, for most of the years it has been in use, the primary sales have been private label or to professional salons. Similarly, for many years its promotional expenditures have been directed to hairdressers and hair salons. Because respondent's identification has been limited to over-the-counter retail sales, we must consider the fame of petitioner's mark with respect to the general consumer, who may encounter the mark in salons and in retail outlets. The evidence is woefully lacking that the KENRA mark has achieved any fame with this audience. Petitioner's promotional efforts first shifted its focus to the general consumer in 1997, and it did not even begin a national advertising campaign for its KENRA mark until 2000. Moreover, a national survey found that only 7-14% of people recognized the KENRA mark. Accordingly, the KENRA mark cannot be considered to have the extremely wide scope of protection that is awarded to a famous mark.

¹⁴ In its brief petitioner asserts that KENRA is a suggestive mark. We do not understand why petitioner makes this statement; even respondent acknowledges that KENRA is "a fanciful name suggesting nothing about [petitioner's] products or their origin." Main brief, p. 22.

6. The number and nature of similar marks in use on similar goods.

Respondent has presented some evidence of third-party "K" marks for ethnic hair care products. Olla Beauty Supply's ethnic hair care catalog (Ultra Beauty Supply) for March/April/May 1995 lists KEMI OYL [sic] and CREME of NAT KENTE OIL, and an ethnic hair care product planogram prepared for CVS stores in September 1992 lists as items to be stocked KEWEE OIL, KEMI OIL, KUZA GREEN POMADE and KUZA INDIAN HEMP. Petitioner's witnesses Laurence Moran and Robert Baxter testified that they were aware of the Kenar company, that it is primarily involved in clothing, and that petitioner had opposed its intent-to-use application to register KENAR in Class 3. Mr. Moran also stated that he had seen the names KENIZE and KENZO, but did not know anything about the companies. Respondent's witness, Steve DiVito, testified that KEMI and KUZA are brands of African-American hair care products, and that KIMBA is a trademark for cloth used to cover the hair during the relaxing process.

The parties have also referred to third-party registrations for various "K" marks.¹⁵ We note that

¹⁵ Although copies of these registrations were never made of record during the testimony periods, both parties have referred to them in their briefs. Accordingly, we have considered the

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Registration No. 1,795,551 for KENTE, and Registration No. 1,855,466 for KEMI PRO-GEL-PLUS have been cancelled pursuant to Section 8 of the Act. Also, petitioner states that the KIMBA mark referenced by respondent is actually KIMBA THE WHITE LION. No registration number was provided by either party; our own check of the Office records does not reveal any registration for this mark for either a cloth used in the hair relaxing process, or for any goods in Class 3.

Although there is some evidence that KENRA is not the only mark beginning with "K" in the hair care field, the third-party uses and registrations do not persuade us that KENRA is a weak mark, or that consumers are so used to marks beginning with a "K" that they will readily distinguish KENYA from KENRA. First, there is minimal evidence of third-party users of "K" marks for hair care products. Second, there is no evidence as to the extent of such use, and whether consumers have been exposed to the marks. Third, and most importantly, the third-party marks are similar to KENRA only in that they have two syllables and begin with a "K". KENYA is much closer in appearance and pronunciation to KENRA than are the third-party marks.

parties' discussions of these registrations to constitute

7. The nature and extent of any actual confusion.
8. The length of time during an conditions under which there has been concurrent use without evidence of actual confusion.

Because these factors are related, we will discuss them together. Respondent has been using its mark since 1991, and for the entire period of contemporaneous use, there have been no reported instances of confusion.

The lack of such evidence, however, is not highly persuasive that confusion is not likely to occur. Respondent's sales during this period have been rather limited. Further, evidence of actual confusion is notoriously difficult to obtain, especially when, as here, the products are relatively low-cost items.¹⁶ Most importantly, the actual marketing activities of the parties may have avoided confusion to this point. The evidence indicates that petitioner's KENRA products are primarily geared to the Caucasian customer, and that respondent's goods are primarily sold in urban areas

stipulations to their being of record.

¹⁶ We note the argument made in petitioner's brief that respondent's products are inferior, and that "it is far more likely that the end consumer who purchases a Kenya product, as opposed to a Kenra product, will experience problems, resulting in complaints in relation to and discontinued use of that product." Main brief, p. 41. If that assertion were true, it would indicate that evidence of actual confusion, in the form of complaints to petitioner, should have occurred if confusion were likely. However, we do not find that the record supports petitioner's assertion that respondent's products are inferior or will cause problems.

where the hair salons may not carry petitioner's KENRA products. Therefore, at this point there may be relatively little overlap between the customers for petitioner's products and those for respondent's. However, because petitioner's registrations are not limited to non-ethnic hair care products, it is free to use its mark on ethnic hair care products at any time, and even to concentrate on sales to the African-American customer. Our determination of likelihood of confusion must, of course, be based on the goods on they are described in the registrations. **Canadian Imperial Bank of Commerce v. Wells Fargo Bank, N.A.**, 811 F.2d 1490, 1 USPQ2d 1813 (Fed. Cir. 1987).

9. The variety of goods on which a mark is or is not used (house mark, "family" mark, product mark).

This factor generally comes into play if either party is using its mark on a wide variety of goods, such that consumers are likely to see the use of the mark on the defendant's goods as simply an expansion of either the plaintiff's or defendant's usage. Here, both petitioner and respondent use their respective marks on a variety of hair care products. Because the goods of the parties are legally identical, we need not consider whether the use by respondent would be considered an

expansion of petitioner's use. However, to the extent that the retail channel of trade of respondent's goods might be argued to be an expansion of the professional salon channel to which petitioner's Registration No. 428,669 is sought to be restricted, this would be viewed by consumers as a normal expansion of trade. As we stated previously, the evidence shows that many over-the-counter retail brands originated as professional salon brands.

10. The market interface between applicant and the owner of a prior mark. This factor includes (d) laches and estoppel attributable to owner of prior mark and indicative of lack of confusion.

Respondent asserts that petitioner had actual knowledge of respondent's use of KENYA in 1994, two years before it brought this cancellation proceeding. The record shows that petitioner had an independent sales representative, Kelly Murphy, for petitioner's ELASTA hair product line. Mr. Murphy had contacted Olla Beauty Supply to distribute ELASTA products, and Olla had done so in 1994 and 1995, distributing less than \$200,000 worth of products during this period.¹⁷ While Olla carried the ELASTA line, listings for the ELASTA products

¹⁷ Mr. DiVito testified that the amount was under \$200,000. Petitioner asserts, based on its invoices, that the amount was

appeared in Olla's Ultra Beauty Supply catalogs. Listings for KENYA products, as well as full-page advertisements, appeared in the same catalogs.

Respondent asserts that Mr. Murphy knew of its KENYA products because of his contacts with Olla Beauty Supply. Respondent also asserts that petitioner would have known of the KENYA line either through conversations with Mr. Murphy, because petitioner would have made due diligence inquiries about Olla, or because petitioner would have reviewed the Ultra Beauty Supply catalogs since petitioner was paying an advertising fee to Olla for the listing of the ELASTA products in the catalogs. However, petitioner's witnesses have testified that no one at petitioner was aware of the KENYA mark until it was cited by the Patent and Trademark against petitioner's application for KENRA and design in January 1996, and Richard Maier, the president of petitioner's ELASTA division, testified that he had had a total of only six conversations with Mr. Murphy, and that the KENYA name was never mentioned.

We find that respondent has failed to prove that petitioner had actual knowledge of the KENYA mark prior to 1996. Mr. Murphy was not an employee of petitioner,

considerably less, approximately \$39,000. The discrepancy does

and any knowledge that he might have had of KENYA cannot be imputed to petitioner. Moreover, respondent's speculation as to what petitioner must have known cannot overcome the direct testimony of petitioner's officers that petitioner had no knowledge of the KENYA mark. With respect to the Ultra catalog, we note that the ELASTA products are not advertised in the catalog, but merely appear, under the mark "QP", as part of a 23-page listing of "ethnic" products, with approximately 55 listings on a page. Moreover, the ELASTA products are five pages away from respondent's KENYA listings. Even if someone at petitioner were to have checked the catalog to be sure its products were listed (and there is no evidence that anyone did so), we cannot conclude that such employee would have looked at the hundreds of listings in these pages.

Accordingly, petitioner's claim of laches must fail.¹⁸

not affect our decision herein.

¹⁸ Respondent had also asserted as part of the laches affirmative defense in its answer that petitioner made no attempt to challenge respondent's mark until a year after the expiration of the Olla's distribution of ELASTA products, and four years after respondent registered KENYA, and that this delay was unreasonable and has materially prejudiced respondent. Respondent has not argued this point in its brief. However, to the extent that respondent still wishes to maintain this aspect of the laches defense, we find that respondent has not shown material prejudice. Respondent's registration issued on March

11. The extent to which applicant has a right to exclude others from use of its mark on its goods.

The parties have not asserted that there is any evidence on this point.

12. The extent of potential confusion, i.e., whether
de minimis or substantial.

Because both parties' goods are hair care products which are sold to the ethnic hair care market, the extent of potential confusion is substantial.

13. Any other established fact probative of the effect
of use.

10, 1992, which is the date of constructive notice of its claim of ownership of the mark. See Section 22 of the Trademark Act, 15 U.S.C. 1072. In 1992 respondent's sales were \$200,181. Petitioner brought this cancellation proceeding in May 1996. In 1992 respondent's sales were \$216,740. In the intervening years, respondent's sales were \$265,165 (1993), \$194,490 (1994) and \$168,943 (1995). These figures do not indicate that respondent increased its sales during the time of petitioner's "inaction." Rather, its sales decreased in the two years prior to petitioner's bringing the cancellation proceeding. The Board is aware of the Court's decision in **Bridgestone/Firestone Research, Inc. v. Automobile Club de L'ouest de la France**, 245 F.3d 1359, 58 USPQ2d 1460 (Fed. Cir. 2001), in which the Court found laches as a result of a 27-year delay from the registration (constructive notice) of the defendant's mark, widespread commercial use, and economic prejudice to defendant from investment in and development of the trademark. However, the 27-year period of inaction in that case is far different from the four-year period in the present situation. We cannot presume economic prejudice simply on the basis of a four-year period of delay. If that were the case it would effectively negate the statutory provision of Section 14 that allows the cancellation of a registration on the ground of likelihood of confusion within the first five years of the registration.

The parties have not submitted any argument on this factor.

After considering all of the relevant duPont factors, we conclude that confusion is likely between respondent's mark KENYA and petitioner's KENRA marks. Although the marks have different connotations, a factor which strongly favors respondent, the other factors, particularly the similarity of the marks in appearance and pronunciation, the legally identical nature of the goods, and the fact that the general consumers of the goods are the same, requires a finding in petitioner's favor. We would also add that, to the extent that there is any doubt on the issue, it must be resolved in favor of petitioner, the prior user of the marks. See **San Fernando Electric Mfg. Co. v. JFD Electronics Components Corp.**, 565 F.2d 683, 196 USPQ 1 (CCPA 1977).

In view of our finding that there is a likelihood of confusion even if petitioner's registration were restricted as proposed by respondent, respondent's counterclaim to partially cancel petitioner's Registration No. 428,669 is dismissed.

Decision: Petitioner's petition for cancellation is granted; respondent's counterclaim for partial cancellation of Registration No. 428,669 is dismissed;

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and respondent's motion to amend its goods, pursuant to Section 18, to "non-medicated hair care preparations for retail, over-the-counter sale to the ethnic hair care market only" is granted.